

defined in the Ninth Supplemental Indenture). The Fixed Rate means the rate of interest per annum established and certified to the Trustee by the Remarketing Agent no later than 12:00 noon (New York City time) on and as of the Fixed Rate Conversion Date as the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary on and as of such date to remarket the affected Series 2003-B Warrants in a secondary market transaction at a price equal to the principal amount thereof, not to exceed 12% per annum. The Fixed Rate shall be established in accordance with the terms and subject to the conditions set forth in the Ninth Supplemental Indenture. Anything in the Indenture to the contrary notwithstanding, in no event shall the interest rate borne by any Series 2003-B Warrant exceed the maximum rate allowable by applicable law.

If any condition to the establishment of the Fixed Rate is not met on the proposed Fixed Rate Conversion Date, the mandatory tender that is scheduled to occur in connection with such conversion shall not take place, and this Series 2003-B Warrant shall continue to bear interest at the Adjustable Rate then borne by this warrant and be subject to the provisions of the Indenture applicable while this Series 2003-B Warrant bears interest at such Adjustable Rate.

If Series 2003-B Warrants begin to bear interest at the Fixed Rate as provided above, the interest rate on such Series 2003-B Warrants may not thereafter be changed to an Adjustable Rate.

Mandatory Tenders

Upon a Change in the Interest Rate Mode (including, without limitation, a change to the Fixed Rate on the Fixed Rate Conversion Date), the Series 2003-B Warrants shall be subject to mandatory tender for purchase in accordance with the Ninth Supplemental Indenture on the effective date of such Change in the Interest Rate Mode, at a price equal to the principal amount thereof.

General Tender Provisions

If interest has been paid on the Series 2003-B Warrants, or an amount sufficient to pay interest thereon has been deposited in the Debt Service Fund, or an amount sufficient to pay accrued interest thereon, if any, has been set aside in the Warrant Purchase Fund and the purchase price equal to the principal of, and premium, if any, on the Series 2003-B Warrants shall be available in the Warrant Purchase Fund for payment of Series 2003-B Warrants subject to tender for purchase pursuant to the Ninth Supplemental Indenture, and if a registered owner fails to deliver or does not properly deliver the Series 2003-B Warrants to the Tender Agent for which a Notice of Election to Tender has been properly filed or which are subject to mandatory tender for purchase on the purchase date therefor, such Series 2003-B Warrants shall nevertheless be deemed tendered and purchased on the date established for the purchase thereof, interest on such Series 2003-B Warrants shall cease to be payable to the former registered owners thereof from and after the date of purchase and such former registered owners shall have no rights under the Indenture as the registered owners of such Series 2003-B Warrants, except the right to receive the purchase price of and interest to the purchase date, if any, on such Series 2003-B Warrants upon delivery thereof to the Tender Agent in accordance with the provisions of the Ninth Supplemental Indenture. The payment of Series 2003-B

Warrants tendered upon the election of the registered owner shall be subject to delivery of such Series 2003-B Warrants duly endorsed in blank for transfer or accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank for transfer at the principal office of the Tender Agent at or prior to 11:30 a.m. for Series 2003-B Warrants bearing interest at a Weekly Rate and 12:00 noon for Series 2003-B Warrants bearing interest at a Daily Rate (New York City time), on a specified purchase date. The Tender Agent may refuse to make payment with respect to any Series 2003-B Warrants tendered for purchase pursuant to the Ninth Supplemental Indenture not endorsed in blank or for which an instrument of transfer satisfactory to the Tender Agent has not been provided.

Redemption

In the manner and with the effect provided in the Indenture, the Series 2003-B Warrants will be subject to redemption prior to Maturity as follows:

Optional Redemption. For any Auction Rate Period, the affected Series 2003-B Warrants shall be subject to redemption at the option of the County on the Business Day immediately preceding each Auction Date, as a whole or in part, at the principal amount thereof, plus accrued interest, if any, to the date fixed for redemption.

Scheduled Mandatory Redemption. The Series 2003-B-1 Warrants shall be redeemed at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on February 1 (or, in the case of Auction Rate Warrants, if any such February 1 is not an Interest Payment Date, then on the first Interest Payment Date subsequent thereto) in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2009	\$ 3,875,000	2026	\$ 21,100,000
2010	4,025,000	2027	23,400,000
2011	4,175,000	2028	44,700,000
2012	4,350,000	2029	44,825,000
2013	4,525,000	2030	3,950,000
2014	4,675,000	2031	4,100,000
2015	4,850,000	2032	51,300,000
2016	5,025,000	2033	53,225,000
2017	5,250,000	2034	3,225,000
2018	5,450,000	2035	3,350,000
2019	21,125,000	2036	3,475,000
2020	27,200,000	2037	21,750,000
2021	26,675,000	2038	19,025,000
2022	12,725,000	2039	88,700,000
2023	14,250,000	2040	37,475,000
2024	15,900,000	2041	100,900,000
2025	7,750,000		

\$39,475,000 of the Series 2003-B-1 Warrants
will be retired at Maturity

Not less than 60 days prior to each such scheduled mandatory redemption date, the County may specify the particular subseries from which Series 2003-B-1 Warrants are to be called for such redemption and (if more than one subseries is so specified) the respective principal amounts to be called for redemption from each thereof. In any such case, the particular Series 2003-B-1 Warrants (or portions thereof) within a given subseries to be called for redemption shall be selected by the Trustee by lot. If the County fails to make such a specification with respect to any scheduled mandatory redemption date, not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in the Ninth Supplemental Indenture, Series 2003-B-1 Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2003-B-1 Warrants or portions thereof for redemption on such scheduled mandatory redemption date. In any event the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2003-B-1 Warrants scheduled for redemption on such date: (i) the principal amount of Series 2003-B-1 Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2003-B-1 Warrants previously redeemed (other than Series 2003-B-1 Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

The Series 2003-B-2 through 2003-B-7 Warrants (herein called the "XLCA-Insured Warrants") shall be redeemed at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on February 1 (or, in the case of Auction Rate Warrants, if any such February 1 is not an Interest Payment Date, then on the first Interest Payment Date subsequent thereto) in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2009	\$ 1,525,000	2026	\$ 8,225,000
2010	1,575,000	2027	9,100,000
2011	1,650,000	2028	17,400,000
2012	1,700,000	2029	17,425,000
2013	1,750,000	2030	1,525,000
2014	1,825,000	2031	1,575,000
2015	1,900,000	2032	19,925,000
2016	1,975,000	2033	20,675,000
2017	2,025,000	2034	1,250,000
2018	2,100,000	2035	1,300,000
2019	8,225,000	2036	1,350,000
2020	10,575,000	2037	8,450,000
2021	10,375,000	2038	7,375,000
2022	4,975,000	2039	34,475,000
2023	5,550,000	2040	14,550,000
2024	6,200,000	2041	39,225,000
2025	16,900,000		

\$15,350,000 of the XLCA-Insured Warrants
will be retired at Maturity

Not less than 60 days prior to each such scheduled mandatory redemption date, the County may specify the particular subseries from which XLCA-Insured Warrants are to be called for such redemption and (if more than one subseries is so specified) the respective principal amounts to be called for redemption from each thereof. In any such case, the particular XLCA-Insured Warrants (or portions thereof) within a given subseries to be called for redemption shall be selected by the Trustee by lot. If the County fails to make such a specification with respect to any scheduled mandatory redemption date, not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in the Ninth Supplemental Indenture, XLCA-Insured Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such XLCA-Insured Warrants or portions thereof for redemption on such scheduled mandatory redemption date. In any event the

County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of XLCA-Insured Warrants scheduled for redemption on such date: (i) the principal amount of XLCA-Insured Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of XLCA-Insured Warrants previously redeemed (other than XLCA-Insured Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

Procedure for Redemption. In the event any of the Series 2003-B Warrants are called for redemption, the Trustee shall give notice of the redemption of such warrants, which notice shall specify the full title, including the subseries, if any, of the Series 2003-B Warrants, the redemption date, the place of redemption and the redemption price payable upon such redemption; that the interest on the Series 2003-B Warrants, or on the principal amount thereof to be redeemed, shall cease to accrue from and after such redemption date; and that on such date there will become due and payable on the Series 2003-B Warrants, the principal amount thereof to be redeemed and the interest accrued on such principal amount to the redemption date, if any, and the premium, if any, thereon. Each notice of redemption mailed to the Holder of a Series 2003-B Warrant to be redeemed shall, if less than the entire principal amount thereof is to be redeemed, also state the principal amount thereof and the distinctive numbers of the Series 2003-B Warrants to be redeemed and that such warrant must be surrendered to the Trustee in exchange for the payment of the principal amount thereof to be redeemed, premium, if any, thereon, and accrued interest, if any, thereon, and the issuance of a new Series 2003-B Warrant equaling in principal amount that portion of the principal amount not to be redeemed of the Series 2003-B Warrant to be surrendered.

Except as otherwise provided in the Ninth Supplemental Indenture, notice of redemptions shall be given by mailing a copy of the redemption notice by first-class mail at least 30 days (15 days for Series 2003-B Warrants bearing interest at an Adjustable Rate) prior to the date fixed for redemption to the registered owners of the Series 2003-B Warrants to be redeemed at the addresses shown on the registration books maintained by the Trustee; provided, however, that failure to give notice to any Holder of a Series 2003-B Warrant, or any defects in such notice, shall not affect the proceedings for the redemption of the Series 2003-B Warrants for which notice has been given.

If at any time of mailing of notice of an optional redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2003-B Warrants called for redemption, such notice may state that it is conditional, that is, subject to the deposit of moneys sufficient for the redemption with the Trustee on or prior the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Under the Indenture, the Outstanding Parity Securities and the Series 2003-B Warrants are equally and ratably secured by a pledge of certain revenues from the System that remain after the payment of the expenses of operating and maintaining the System. Upon compliance with certain conditions specified in the Indenture, the County may issue additional securities (without limitation as to principal amount) that are secured by the Indenture on a parity with the Outstanding Parity

Securities and the Series 2003-B Warrants with respect to the pledge of the aforesaid revenues from the System.

The Indenture permits the amendment of the Series 2003-B Warrants and the Indenture, and waivers of past defaults under such instruments and the consequences of such defaults, in certain circumstances without consent of Warrantholders and in other circumstances with the consent of all Warrantholders or a specified percentage of Warrantholders. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, this warrant is transferable on the Warrant Register maintained at the Office of the Trustee, upon surrender of this warrant for transfer at the Office of the Trustee, together with all necessary endorsements for transfer, and thereupon one or more new Series 2003-B Warrants of the same Maturity, subseries and interest rate, of any Authorized Denominations and for a like aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, the Series 2003-B Warrants are exchangeable for other Series 2003-B Warrants of the same Maturity, subseries and interest rate, of any Authorized Denominations and of a like aggregate principal amount, as requested by the Holder surrendering the same.

No service charge shall be made for any transfer or exchange hereinbefore referred to, but the County may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The County and the Trustee may treat the person in whose name this warrant is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this warrant is overdue, and neither the County nor the Trustee shall be affected by notice to the contrary.

No covenant or agreement contained in this warrant or the Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of the County, and neither any member of the governing body of the County nor any officer executing this warrant shall be liable personally on this warrant or be subject to any personal liability or accountability by reason of the issuance of this warrant.

Any terms used herein which are defined in the Indenture shall have the respective meanings set forth in the Indenture.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the County has caused this warrant to be duly executed under its official seal.

JEFFERSON COUNTY, ALABAMA

By _____
President of the County Commission

ATTEST:

Minute Clerk of the County Commission

[S E A L]

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2003-B Warrants referred to in the within-mentioned Indenture.

Date of authentication: _____, _____.

THE BANK OF NEW YORK,
as Trustee

By _____
Authorized Officer

ASSIGNMENT

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named County at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

**FORM OF SERIES 2003-B
WARRANTS IN FIXED RATE MODE**

No. R- _____

\$ _____

UNITED STATES OF AMERICA

STATE OF ALABAMA

JEFFERSON COUNTY, ALABAMA

**SEWER REVENUE REFUNDING WARRANT
Series 2003-B**

Interest Rate
_____ %

Maturity Date
February 1, _____

CUSIP
472682 _____

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (herein called the "County"), hereby acknowledges itself indebted to and orders and directs the County Treasurer of the County to pay to Cede & Co., or registered assigns, solely out of the revenues hereinafter referred to, the principal sum of

_____ DOLLARS

on the maturity date specified above, with interest thereon from the date hereof until the maturity hereof at the per annum rate specified above (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable on August 1, 2003, and semiannually thereafter on each February 1 and August 1 until maturity or earlier redemption. The principal of and the premium (if any) on this warrant shall be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York in East Syracuse, New York, or its successors as Trustee under the Indenture hereinafter referred to, and the interest payable on this warrant on each interest payment date shall be remitted, by the Trustee hereinafter referred to, by check or draft mailed or otherwise delivered to the registered holder hereof at the address shown on the registry books of the said Trustee. The principal of and the interest and premium (if any) on this warrant shall bear interest after their respective due dates until paid at the per annum rate shown above.

This warrant is one of a duly authorized issue or series of warrants authorized to be issued in the aggregate principal amount of \$1,155,765,000 and designated Sewer Revenue Refunding Warrants, Series 2003-B (herein called the "Series 2003-B Warrants"). The Series 2003-B Warrants

have been issued, on a parity with the Outstanding Parity Securities hereinafter referred to, under a Trust Indenture dated as of February 1, 1997 (herein called the "Original Indenture"), between the County and The Bank of New York, Birmingham, Alabama, as Trustee (herein, in such capacity, together with its successors in trust, called the "Trustee"), as supplemented and amended by a First Supplemental Indenture dated as of March 1, 1997 (herein called the "First Supplemental Indenture"), by a Second Supplemental Indenture dated as of March 1, 1999 (herein called the "Second Supplemental Indenture"), by a Third Supplemental Indenture dated as of March 1, 2001 (herein called the "Third Supplemental Indenture"), by a Fourth Supplemental Indenture dated as of February 1, 2002 (herein called the "Fourth Supplemental Indenture"), by a Fifth Supplemental Indenture dated as of September 1, 2002 (herein called the "Fifth Supplemental Indenture"), by a Sixth Supplemental Indenture dated as of October 1, 2002 (herein called the "Sixth Supplemental Indenture"), by a Seventh Supplemental Indenture dated as of November 1, 2002 (herein called the "Seventh Supplemental Indenture"), by an Eighth Supplemental Indenture dated as of January 1, 2003 (herein called the "Eighth Supplemental Indenture"), and by a Ninth Supplemental Indenture dated as of April 1, 2003 (herein called the "Ninth Supplemental Indenture"). The County has heretofore issued under the Original Indenture, as supplemented and amended by the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplemental Indentures, (i) \$211,040,000 principal amount of its Sewer Revenue Refunding Warrants, Series 1997-A, dated February 1, 1997, (ii) \$48,020,000 principal amount of its Taxable Sewer Revenue Refunding Warrants, Series 1997-B, dated February 1, 1997, (iii) \$52,880,000 principal amount of its Taxable Sewer Revenue Refunding Warrants, Series 1997-C, dated February 15, 1997, (iv) \$296,395,000 principal amount of its Sewer Revenue Warrants, Series 1997-D, dated March 1, 1997, (v) \$952,695,000 principal amount of its Sewer Revenue Capital Improvement Warrants, Series 1999-A, dated March 1, 1999, (vi) \$275,000,000 principal amount of its Sewer Revenue Capital Improvement Warrants, Series 2001-A, dated March 1, 2001, (vii) \$110,000,000 principal amount of its Sewer Revenue Capital Improvement Warrants, Series 2002-A, dated March 6, 2002, (viii) \$540,000,000 principal amount of its Sewer Revenue Capital Improvement Warrants, Series 2002-B, dated September 1, 2002, (ix) \$839,500,000 principal amount of its Sewer Revenue Refunding Warrants, Series 2002-C, dated October 25, 2002, (x) \$475,000,000 principal amount of Sewer Revenue Capital Improvement Warrants, Series 2002-D, dated November 1, 2002, and (xi) \$41,820,000 principal amount Sewer Revenue Refunding Warrant, Series 2003-A, dated January 9, 2003 (all of said warrants which are now outstanding being herein together called the "Outstanding Parity Securities"). As used herein, the term "Indenture" means the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture.

The Series 2003-B-8 Warrants are subject to redemption and prepayment prior to maturity, at the option of the County, as a whole or in part, from such maturity or maturities as shall be specified by the County, on February 1, 2010, and on any date thereafter, such redemption to be at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption.

If less than all of the outstanding Series 2003-B Warrants of a particular maturity within a particular subseries are to be called for redemption, the Series 2003-B Warrants (or principal portions thereof) to be redeemed shall be selected by the Trustee by lot in the principal amounts designated to the Trustee by the County or otherwise as required by the Indenture. In the event any of the Series 2003-B Warrants are called for redemption, the Trustee shall give notice, in the name of the County, of the redemption of such Warrants, which notice shall state that on the redemption date the Series 2003-B Warrants to be redeemed shall cease to bear interest. Such notice shall be given by mailing a copy thereof by registered or certified mail at least thirty (30) days prior to the date fixed for redemption to the holders of the Series 2003-B Warrants to be redeemed at the addresses shown on the registration books of the Trustee; provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of the redemption of any of the Series 2003-B Warrants for which notice was properly given. Any Series 2003-B Warrants which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the date fixed for redemption and shall thereafter cease to be entitled to any lien, benefit or security under the Indenture.

Under the Indenture, the Outstanding Parity Securities and the Series 2003-B Warrants are equally and ratably secured by a pledge of certain revenues from the sanitary sewer system of the County (herein, as it may at any time exist, called the "System") that remain after the payment of the expenses of operating and maintaining the System. Upon compliance with certain conditions specified in the Indenture, the County may issue additional securities (without limitation as to principal amount) that are secured by the Indenture on a parity with the Outstanding Parity Securities and the Series 2003-B Warrants with respect to the pledge of the aforesaid revenues from the System (the Outstanding Parity Securities, the Series 2003-B Warrants and all such additional securities being herein together called the "Parity Securities").

The holders of the Parity Securities shall never have the right to demand payment of the Parity Securities out of any funds raised or to be raised by taxation or from any source whatsoever, except the payments and amounts described in this warrant and the Indenture. Except for the revenues from the System and the other moneys that may be held by the Trustee under the Indenture, no property of the County is encumbered by any lien or security interest for the benefit of the holder of this warrant. Neither the faith and credit, nor the taxing power, of the State of Alabama or the County, or any other public corporation, subdivision or agency of the State of Alabama or the County, is pledged to the payment of the principal of or the interest or premium (if any) on this warrant.

The transfer of this warrant shall be registered upon the registration books kept at the principal corporate office of the Trustee, at the written request of the holder hereof or his attorney duly authorized in writing, upon surrender of this warrant at said office, together with a written instrument of transfer satisfactory to the Trustee duly executed by the holder hereof or his duly authorized attorney. Upon payment of any required tax or other governmental charge, this warrant may, upon the surrender hereof at the principal corporate trust office of the Trustee, be exchanged for an equal aggregate principal amount of Series 2003-B Warrants of the same maturity in any other authorized denominations.

The Trustee shall not be required to transfer or exchange this warrant during the period of fifteen days next preceding any interest payment date with respect hereto. In the event that this warrant (or any principal portion hereof) is duly called for redemption and prepayment, the Trustee shall not be required to transfer or exchange this warrant during the period of thirty days next preceding the date fixed for such redemption and prepayment.

Except as provided in the Indenture, the registered holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto.

With certain exceptions as provided therein, the Indenture may be modified or amended only with the consent of the holders of a majority in aggregate principal amount of all Parity Securities outstanding under the Indenture.

Reference is hereby made to the Indenture, a copy of which is on file with the Trustee, for the provisions thereof concerning the nature and extent of the rights, duties and obligations of the County, the Trustee and the holders of the Parity Securities. The registered holder of this warrant, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Indenture.

The County and the Trustee may deem and treat the person in whose name this warrant is registered as the absolute owner hereof for all purposes, whether or not any principal or interest on this warrant is overdue, and neither the County nor the Trustee shall be affected by any notice to the contrary.

It is hereby certified, recited and declared that all acts, conditions and things required by the constitution and laws of the State of Alabama to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this warrant, do exist, have happened and have been performed in regular and due form as required by law.

No covenant or agreement contained in this warrant or the Indenture shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the County in his individual capacity, and neither the members of the governing body of the County, nor any official executing this warrant, shall be liable personally on this warrant or be subject to any personal liability or accountability by reason of the issuance or sale of this warrant.

This warrant shall not be entitled to any right or benefit under the Indenture, or be valid or become obligatory for any purpose, until this warrant shall have been authenticated by the execution by the Trustee, in its capacity as paying agent for the Series 2003-B Warrants, of the certificate of authentication inscribed hereon.

IN WITNESS WHEREOF, the County has caused this warrant to be executed in its name and behalf by the President of its County Commission, has caused its official seal to be hereunto affixed, has caused the signature of the aforesaid President to be attested by the Minute Clerk of its County Commission, and has caused this warrant to be dated April 1, 2003.

JEFFERSON COUNTY, ALABAMA

By _____
President of the County Commission

ATTEST:

Minute Clerk of the
County Commission

[S E A L]

AUTHENTICATION CERTIFICATE

DATE OF AUTHENTICATION: _____

This warrant is one of the Series 2003-B Warrants described in the within-mentioned Trust Indenture.

THE BANK OF NEW YORK,
as Trustee

By _____
Its Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within warrant and hereby irrevocably constitutes and

appoints _____ at to mey, with full power of substitution in the premises, to transfer the within warrant on the books kept for registration thereof by the within-mentioned Trustee.

Dated this _____ day of _____, _____.

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears upon the face of the within warrant in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

(Bank, Trust Company or Firm)*

By _____
(Authorized Officer)

Medallion Number: _____

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT A

**JEFFERSON COUNTY, ALABAMA
SEWER REVENUE REFUNDING WARRANTS
SERIES 2003-B
CUSIP NO. _____**

NOTICE OF CHANGE TO A _____ RATE

Notice is hereby given to the registered owners of \$ _____ of the above-captioned issue (the "Warrants") of Jefferson County, Alabama (the "County") that:

1. In accordance with the Ninth Supplemental Indenture relating to the Warrants (the "Indenture"), dated as of April 1, 2003, between the County and The Bank of New York (the "Trustee"), subject to the conditions hereinafter set forth, if any, the interest rate on the Warrants (or such lesser principal amount thereof as may be specified in an attachment hereto) will be changed to a _____ Rate. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Indenture. The following statements are summaries of certain provisions of the Indenture which do not purport to be complete and are qualified in their entirety by reference to the Indenture.

2. The _____ Rate will be effective from and after _____ (the "Effective Date").

3. The Warrants are subject to mandatory tender on the Effective Date at a purchase price equal to the principal amount thereof.

4. The proposed Change in the Interest Rate Mode shall take effect only if the applicable conditions set forth in Article IV of the Indenture have been satisfied.

5. Registered owners of Warrants are required to deliver their Warrants to the Tender Agent at The Bank of New York, _____, New York, New York _____ no later than [Tender Agent to insert proper time], New York City time, on the Effective Date endorsed in blank by the registered owner thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed for transfer in blank by the registered owner thereof (the Tender Agent being able to refuse to make payment with respect to any such Warrant not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).

6. Each registered owner of Warrants who has properly tendered such Warrants in accordance with the above provisions will be paid the purchase price therefor on the Effective Date and, if such purchase price is paid, such registered owner shall have no further rights with respect to said Warrants.

7. Holders of Warrants subject to mandatory tender shall have no right to retain such Warrants and shall be required to tender such Warrants on the date established for the mandatory tender for purchase thereof.

8. With respect to any registered owner of Warrants who has not properly tendered such Warrants in accordance with the above provisions of this notice, (A) such registered owner's Warrants will be deemed tendered and purchased on the Effective Date at a purchase price equal to the principal amount thereof, (B) such registered owner will be paid interest on such Warrants on the Effective Date as provided in the Indenture and will be paid such purchase price for such Warrants upon the tender of such Warrants to the Tender Agent and (C) interest on such Warrants shall cease to be payable to such registered owner from and after the Effective Date, and after the Effective Date such registered owner will have no rights with respect to such Warrants except to receive payment of the purchase price equal to the principal amount thereof upon tender of such Warrants to the Tender Agent.

Dated: _____

JEFFERSON COUNTY, ALABAMA

By: THE BANK OF NEW YORK, as Trustee

By _____
Authorized Representative

**JEFFERSON COUNTY, ALABAMA
SEWER REVENUE REFUNDING WARRANTS
SERIES 2003-B
CUSIP NO. ____**

**CERTIFICATE PURSUANT TO
SECTION [4.1(c)(i)(2) or 4.2(c)(i)(2)] OF THE
NINTH SUPPLEMENTAL INDENTURE**

NOTICE IS HEREBY GIVEN to The Bank of New York, as Trustee for the above-captioned issue (the "Warrants") [and to The Bank of New York as Auction Agent, if applicable] that Jefferson County, Alabama (the "County") hereby authorizes the establishment of a _____ Rate.

Notice is also hereby given that the County has obtained confirmation that (a) Bond Counsel expects to be able to give its opinion on the effective date of the Change in the Interest Rate Mode to the effect that the change to the _____ Rate is authorized by the Ninth Supplemental Indenture referred to below, is permitted under the Act and will not have an adverse effect on the exclusion of interest on the Warrants from gross income for federal income tax purposes, and (b) any amendments to the Ninth Supplemental Indenture referred to below necessary to provide for the application of moneys available under the Liquidity Facility have been agreed to by the parties hereto and will be in effect prior to the Change in the Interest Rate Mode.

Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Ninth Supplemental Indenture relating to the above-captioned Warrants, dated as of April 1, 2003, by and between the County and The Bank of New York, as trustee.

JEFFERSON COUNTY, ALABAMA

By _____
Authorized County Representative

**JEFFERSON COUNTY, ALABAMA
SEWER REVENUE REFUNDING WARRANTS
SERIES 2003-B
CUSIP NO. ____**

**CERTIFICATE PURSUANT TO
SECTION [4.1(c)(ii)] OF THE
NINTH SUPPLEMENTAL INDENTURE**

NOTICE IS HEREBY GIVEN to The Bank of New York, as Trustee for the above-captioned issue (the "Warrants") [and to The Bank of New York, as Auction Agent, if applicable] that with respect to a Change in the Interest Rate Mode pursuant to Section 4.1 of the Ninth Supplemental Indenture referred to below all of the Warrants tendered or deemed tendered have been purchased at a price equal to the principal amount thereof with funds provided from the remarketing of such Warrants in accordance with the Remarketing Agreement or from other funds deposited with the Tender Agent, and that accrued and unpaid interest, if any, and premium, if any, have been paid from money deposited with the Trustee.

Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Ninth Supplemental Indenture, dated as of April 1, 2003, by and between Jefferson County, Alabama and The Bank of New York, as trustee.

JEFFERSON COUNTY, ALABAMA

By _____
Authorized County Representative

**JEFFERSON COUNTY, ALABAMA
SEWER REVENUE REFUNDING WARRANTS
SERIES 2003-B
CUSIP NO. _____**

**NOTICE REGARDING ESTABLISHMENT OF
NEW ADJUSTABLE RATE**

NOTICE IS HEREBY GIVEN to The Bank of New York, as Trustee for the above-captioned issue (the "Warrants") [and to The Bank of New York, as Auction Agent, if applicable] that with respect to a Change in the Interest Rate Mode pursuant to Section 4.1 of the Ninth Supplemental Indenture referred to below all of the Auction Rate Warrants during an Auction Rate Period tendered or deemed tendered have been purchased at a price equal to the principal amount thereof with funds provided from the remarketing of such Auction Rate Warrants in accordance with the Remarketing Agreement, and that accrued and unpaid interest, if any, and premium, if any, on the Warrants have been paid pursuant to the Indenture from funds deposited with the Trustee.

Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Ninth Supplemental Indenture, dated as of April 1, 2003, by and between Jefferson County, Alabama, and The Bank of New York, as trustee.

JEFFERSON COUNTY, ALABAMA

By _____
Authorized County Representative

**JEFFERSON COUNTY, ALABAMA
SEWER REVENUE REFUNDING WARRANTS
SERIES 2003-B**

**NOTICE OF PROPOSED CHANGE IN PERCENTAGES
USED TO DETERMINE THE
ALL HOLD RATE AND THE MAXIMUM AUCTION RATE**

NOTICE IS HEREBY GIVEN THAT [Name of Remarketing Agent], as Remarketing Agent for the above-referenced issue, proposes to change the percentage used to determine the All Hold Rate and the Applicable Percentage used to determine the Maximum Auction Rate to reflect a Change in Preference Law in accordance with the Ninth Supplemental Indenture relating to the Warrants (the "Indenture"), dated as of April 1, 2003, between the County and The Bank of New York (the "Trustee"). Assuming the conditions set forth below are met, such change will be effective on _____ (the "Effective Date").

[Insert a description of the changes in the percentages.]

An adjustment in such percentages shall take effect only if:

(i) the Trustee and the Auction Agent receive by 11:00 a.m., New York City time, on the Business Day immediately preceding the Effective Date, a certificate from the Remarketing Agent by telecopy, facsimile or similar means (A) authorizing the adjustment in the percentages, which shall be specified in such authorization, and (B) confirming that Bond Counsel expects to be able to give an opinion on the Effective Date to the effect that the adjustment in the percentages is authorized by Section 3.10 of the Indenture and will not have an adverse effect on the exclusion of interest on the Auction Rate Warrants from gross income for federal income tax purposes; and

(ii) the Trustee and the Auction Agent receive by 9:30 a.m., New York City time, on the Effective Date, an Opinion of Bond Counsel to the effect that the adjustment in the percentages is authorized by Section 3.10 of the Indenture and will not have an adverse effect on the exclusion of interest on the Auction Rate Warrants from gross income for federal income tax purposes.

If any of the conditions referred to in subparagraph (i) above is not met, the existing percentage used to determine the All Hold Rate and the existing Applicable Percentage used to determine the Maximum Auction Rate shall remain in effect and the rate of interest on the Auction Rate Warrants for the next succeeding Interest Period shall be determined in accordance with the Auction

Procedures. If any of the conditions referred to in subparagraph (ii) above is not met, the existing percentage used to determine the All Hold Rate and the existing Applicable Percentage used to determine the Maximum Auction Rate shall remain in effect and the rate of interest on the Auction Rate Warrants for the next succeeding Interest Period shall equal the Maximum Auction Rate on the Effective Date.

Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture.

[NAME OF REMARKETING AGENT],
as Remarketing Agent

By _____
Authorized Officer

Dated: _____

B-4-2

EXHIBIT C

**JEFFERSON COUNTY, ALABAMA
SEWER REVENUE REFUNDING WARRANTS
SERIES 2003-B
CUSIP NO. _____**

NOTICE OF FAILURE OF CONDITIONS

NOTICE IS HEREBY GIVEN that the conditions for effecting a Change in the Interest Rate Mode to a _____ Rate have not been met.

The above-captioned warrants (the "Warrants") will not be subject to mandatory tender for purchase on [DATE] and will therefore continue to bear interest at the Current Adjustable Rate and be subject to the provisions of the Ninth Supplemental Indenture referred to below applicable while such Warrants bear interest at the Current Adjustable Rate.

Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Ninth Supplemental Indenture, dated as of April 1, 2003, by and between Jefferson County, Alabama and The Bank of New York, as trustee.

THE BANK OF NEW YORK, as Trustee

By _____
Title

**JEFFERSON COUNTY, ALABAMA
SEWER REVENUE REFUNDING WARRANTS
SERIES 2003-B**

NOTICE OF PROPOSED CONVERSION TO FIXED RATE

Notice is hereby given to the registered owners of the above-captioned issue (the "Warrants") of Jefferson County, Alabama (the "County") that:

1. The County is proposing to convert the interest rate on the Warrants to a fixed interest rate (the "Fixed Rate") on _____ (the "Fixed Rate Conversion Date"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Ninth Supplemental Indenture dated as of April 1, 2003, between the County and The Bank of New York, as Trustee (the "Indenture"). The following statements are summaries of certain provisions of the Indenture which do not purport to be complete and are qualified in their entirety by reference to the Indenture.
2. All Warrants are subject to mandatory tender for purchase on the Fixed Rate Conversion Date at a purchase price equal to the principal amount thereof plus, in the case of a Change in the Interest Rate Mode from a Term Rate, premium, if any.
3. The Fixed Rate shall take effect only if the conditions set forth in Section 4.2 of the Indenture have been satisfied.
4. There is no right of election to retain Warrants.
5. Registered owners of Warrants are required to deliver their Warrants to the Tender Agent by no later than [Tender Agent shall insert appropriate time], New York City time, on the proposed Fixed Rate Conversion Date at the office of the Tender Agent located at _____, endorsed in blank for transfer by the registered owner thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank for transfer by the registered owner thereof (the Tender Agent being able to refuse payment with respect to any such Warrant not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).
6. Each registered owner of Warrants who has properly tendered such Warrants in accordance with the above provisions will be paid the purchase price plus, in the case of a Change in the Interest Rate Mode from a Term Rate, premium, if any, therefor on the Fixed Rate Conversion Date and if such purchase price plus premium, if any, plus interest accrued to the Fixed Rate

Conversion Date (which interest will be paid in accordance with the Indenture) is paid, such registered owner shall have no further rights with respect to said Warrants.

7. With respect to any registered owner of Warrants who has not properly tendered such Warrants in accordance with the above provisions of this notice, (A) such registered owner's Warrants will be deemed tendered and purchased on such Fixed Rate Conversion Date at a purchase price equal to the principal amount thereof plus, in the case of a Change in the Interest Rate Mode from a Term Rate, premium, if any, (B) such registered owner will be paid interest on such Warrants on the proposed Fixed Rate Conversion Date as provided in the Indenture and will be paid such purchase price plus premium, if any, for such Warrants upon the tender of such Warrants to the Tender Agent and (C) interest on such Warrants shall cease to be payable to such registered owner from and after the proposed Fixed Rate Conversion Date, and after the proposed Fixed Rate Conversion Date such registered owner will have no rights with respect to such Warrants except to receive payment of the purchase price plus, in the case of a Change in the Interest Rate Mode from a Term Rate, premium, if any, upon tender of such Warrants to the Tender Agent.

Dated: _____

JEFFERSON COUNTY, ALABAMA

By: THE BANK OF NEW YORK, as Trustee

By _____
Authorized Representative